

# Jazz-Acquicor Merger, RFMD Cash Deal

RF chip foundry Jazz Semiconductor is to merge with Acquicor Technology Inc., in an all-cash transaction valued at \$260m, subject to conditions.

Following the merger, Jazz will become a wholly owned subsidiary of Acquicor and will continue to operate as Jazz Semiconductor. Completion of the merger is expected to occur in the first quarter of 2007.

Jazz Semiconductor was formed initially by Conexant Systems Inc., together with a \$52m investment by The Carlyle Group to facilitate the company's transition from a captive fab into an independent semiconductor foundry. This transition has largely been completed and has resulted in over 300 design wins with over 95 new customers.

Acquicor is led by industry veteran Gilbert F. Amelio and Steve Wozniak, formerly of Apple Computer, Inc., and former chairman and CEO of National Semiconductor. Mr. Amelio also served as the president of Rockwell Communications Systems, a division of Rockwell, which was later spun-off as Conexant Systems, Inc. In that capacity, Mr. Amelio was responsible for operation of the manufacturing facility that is now operated by Jazz.

Meanwhile, RF Micro Devices Inc., announced that, as a result of the pending merger it expects to sell its equity interest in Jazz Semiconductor for an aggregate cash consideration of approximately \$24m to \$27m. RFMD is one of many

customers for the Si and SiGe foundry services of Jazz.

Upon completion of the merger, Jazz Semiconductor will become a wholly owned subsidiary of Acquicor. Acquicor is a company formed by Gilbert F. Amelio and Ellen M. Hancock for the purpose of acquiring one or more operating businesses in the technology, multimedia and networking sectors.

Shu Li, president and CEO of Jazz Semiconductor, said, "Jazz Semiconductor has enjoyed an exceptional relationship with RFMD. We look forward to the continued evolution of this relationship as RFMD launches new highly integrated mixed signal products built on Jazz silicon and as we continue our development efforts in advanced RF silicon semiconductor processes."

Bill Pratt, co-founder and chief technical officer of RFMD, stated, "RFMD and Jazz have worked together since 2002 developing state-of-the-art silicon process technologies targeted for next-generation mobile devices. RFMD's next-generation single-chip EDGE transceiver, which we expect will ramp at Jazz in the first half of calendar year 2007, utilizes a specialized CMOS process jointly developed between the two companies. Additionally, our existing agreements with Jazz regarding supply, wafer credits and joint development activities remain intact, and we expect to continue a mutually beneficial partnership following the merger."

## Freescal Semiconductor Acquired by Consortium

Freescal Semiconductor, Inc., entered into a definitive merger agreement to be acquired by a private equity consortium in a transaction with a total equity value of \$17.6bn.

Freescal, a member of the S&P 500, is one of the world's largest semiconductor companies with 2005 sales of \$5.8bn.

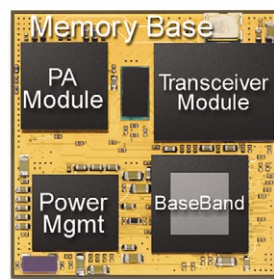
The consortium is led by The Blackstone Group, and includes The Carlyle Group (see Jazz deal), Permira Funds and Texas Pacific Group.

The consortium will acquire all of the outstanding Class A and Class B shares of Freescal for \$40 per share in cash, which

represents a premium of approximately 36% over Freescal's average closing share price during the 30 trading days ending September 8, 2006. The company first acknowledged it was in discussions with third parties regarding a possible transaction on September 11, 2006.

In July 2004, Freescal was spun out of Motorola's Semiconductor Products Sector as a publicly traded company. It generated about \$5.8bn of sales in 2005 with 24,000 employees worldwide, including 5,400 in Austin, TX. Freescal still counts Motorola as one of its largest customers.

**Web:** [www.Freescal.com](http://www.Freescal.com)



*i.275 Radio in a Package*

An example of Freescal technology: the i.275 "Radio in Package". It utilizes proprietary "Redistributed Chip Packaging" (RCP) technology from Freescal to provide high flexibility and integration density – characteristics that help deliver 30% smaller packaged semiconductor solutions versus traditional BGA technology.

## KLA-Tencor Chairman Retires

KLA-Tencor Corp., announced that Kenneth Levy, Founder and Chairman of the Board, has informed the Company that he is retiring as a Director and employee, effective immediately. Mr. Levy was a member of the Board of Directors of the Company since 1975, Chairman of the Board since 1999, and CEO from 1975 to 1997 and from mid-1998 to mid-1999.

Edward W. Barnholt will succeed Mr. Levy as Chairman of the Board of Directors and will serve in a non-executive capacity. Mr. Barnholt is the former President and CEO of Agilent Technologies, and joined the Company's Board of Directors in 1995.

**Web:** [www.kla-tencor.com](http://www.kla-tencor.com)